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## CITY OF GREENVILLE

POLICY NO. HR-25

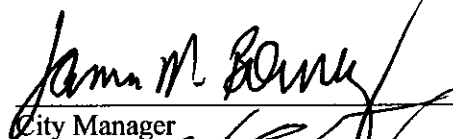
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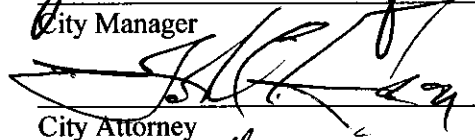
SUBJECT: Retirement Programs

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APPROVALS:

  
\_\_\_\_\_  
City Manager

  
\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
Human Resource Director

**I. Purpose**

The purpose of this policy is to describe the programs and eligibility for retirement benefits for City of Greenville employees.

**II. Applicability**

This policy applies to all City of Greenville employees.

**III. Definitions**

- **Employee:** For purposes of participation in retirement benefits under this HR-25 policy, employee means an employee of the City of Greenville who is working in either an appointed, permanent full-time, or permanent part-time position, and who receives payment from funds administered by the City. For purposes of this policy, employee does not include a temporary employee, a short-term employee, or an independent contractor with the City, regardless of the length of time that an independent contractor works with the City.
- **Retiree:** A former employee of the City of Greenville who has retired from the City and is eligible to receive benefits under either the South Carolina Retirement System (SCRS), SC Police Officers' Retirement System (PORS), or the Firemen's Pension Plan.
- **Employment Classifications:** The City of Greenville recognizes four (4) types of employee classifications for retiree eligibility determination:
  - **Appointed:** The positions of City Manager, City Attorney, and Municipal Judge are established by City ordinance and as such are considered appointed ("unclassified"). These "unclassified" positions are eligible to participate in the City's benefit programs as defined in this policy.
  - **Regular (Full-time):** A regular employee is one that is normally scheduled to work forty (40) hours per week or greater. Regular employees are eligible to participate in the benefit plans offered by the City.
  - **Permanent Part-time:** A permanent part-time employee is one who works less than forty (40) hours per week and on average, at least twenty (20) hours per week on an annual basis. Occasionally, seasonal schedules may require part-time employees to work a forty (40) hour schedule. Permanent part-time employees who annually work an average of 1040 hours or more per year are eligible to participate in medical and dental benefits plans offered by the City. These employees will pay the regular employee share of the benefits premium, plus half of the City's contribution, for the class of coverage elected.
  - **Temporary:** A temporary employee is one who is on the City's payroll and works in a City position for a predetermined period of time not to exceed 6 months. The temporary employee may be assigned to a full-time schedule (40 hours/week or more) or a part-time schedule (less than 40 hours/week). Temporary employees are not eligible to participate in the City's retiree or benefits plans.

#### **IV. Policy**

It is the policy of the City of Greenville to provide retirement contributions, benefits, and service recognition for eligible retired employees to the extent provided for by this policy. The City also reserves the right to select the provider(s) and coverage(s) to be offered to retirees which may or may not include all the options available to active employees. The City also reserves the right to amend, change, or terminate its program of medical coverage for retirees and qualified elected officials, including changes in contribution requirements, at any time.

#### **V. Procedures**

##### **A. Retirement Plans**

All appointed, permanent full-time and part-time employees shall participate and contribute to one of three retirement pension plans, unless specifically exempted by SC State statute:

1. Sworn officers in the Police Department are members of the SC PORS.
2. Sworn firefighters participate in the Greenville Firemen's Pension Fund.
3. All other employees are members of the SCRS.

Any appointed, regular (full-time), or permanent part-time employee must join the appropriate retirement system as a condition of employment. All employees, including those who are already members of the retirement system by reason of other employment, must make retirement contributions on wages received from the City, with the exception of retirees who are rehired under the TERI provisions of the SCRS (§ 9-1-2210), and retirees who are rehired under the similar provisions of the PORS (§ 9-11-90).

All contributions to the retirement system are handled by pre-tax payroll deductions. SCRS and SC PORS contributions will be made on all payments of actual salary up to the maximum of the employee's actual gross salary. Incentive payments given for early retirement are not subject to retirement contributions. Firemen's Pension Fund contributions will be made on all compensation received from the City. The City also contributes to the retirement plan for all employees including rehired retirees.

Five (5) years' participation is required in the SCRS and PORS to be vested in City contributions. Vesting in the Firemen's Pension Fund is 50% after five (5) years, and an additional 10% per year thereafter, resulting in 100% vesting after ten (10) years of service, subject to the other provisions of the Fund.

##### **B. Eligibility Requirements for Retirement Benefits**

Depending on the employee's position with the City, the following eligibility requirements must be met to receive retirement benefits:

- **Sworn police officers** are eligible to retire and receive vested benefits from the SC PORS after completing twenty-five (25) years of service in the retirement system, or after attaining age fifty-five (55) with five (5) or more years of service in the system.
- **Sworn firefighters** are eligible to retire and receive vested benefits from the Firemen's Pension Fund after five (5) or more years of service *and* after attaining age fifty-five (55).
- **Regular employees** may retire and be eligible to receive vested benefits from the SCRS upon reaching age sixty-five (65) with at least five (5) years of service in the SCRS, *or* after attaining twenty-eight (28) years of service, regardless of age.

Other retirement eligibility options, including disability retirement, and early retirement with applicable benefit reductions, may be possible. Information is available from the Human Resource Department or the SCRS.

#### **C. Mandatory Retirement Age**

The mandatory retirement age for police officers and firefighters below the rank of Assistant Fire Chief and Police Captain is sixty (60) years of age. Only by successfully passing an annual physical exam can such employees be allowed to work until the age of sixty-five (65). The mandatory retirement age for Police and Fire personnel at and above the level of Assistant Fire Chief and Police Captain is sixty-five (65) years of age. There is no mandatory retirement age for other City employees.

#### **D. Retiree Medical Insurance Subsidy for Retirees Who Meet the Years of Service Requirements of Subsection V.E.**

Effective January 1, 2009, the City has established separate medical insurance subsidy plans for pre-65 and post-65 retirees as follows:

- **Pre-65 Retiree Medical Insurance Subsidy.** The Pre-65 retiree benefit will be a fixed dollar amount to be determined by the City Manager. The benefit will be used for the purchase or subsidization of medical insurance provided under the City's group plan. The amount of the benefit will be reviewed periodically and may be adjusted by the City Manager subject to the availability of funds. Pre-65 retirees with dependent and/or spouse coverage will no longer receive a subsidy for the cost of the dependent portion of the premium. However, the pre-65 retiree's spouse and/or dependent children are able to remain on the City's group plan, if qualified under the plan, by paying the current monthly premium for the coverage elected without City contributions for dependents. Pre-65 retirees on the City's fully-insured group plan may stay on the group plan after retirement, or they may switch to another City group plan (if available and applicable) at the next annual reenrollment date. Pre-65 retirees who elect to participate in a medical insurance plan other than the one the City offers will not be eligible to receive the City's subsidy and will not be able to participate in any future City pre-65 medical insurance plan.
- **Post-65 Retiree Medical Insurance Subsidy.** Post-65 retirees who retired on or before

December 31, 2008, and who meet the years of service requirements of subsection V.E., below, will receive a fixed monthly subsidy toward the retiree's Medicare Supplemental plan and prescription drug coverage. Post-65 retirees who retired after December 31, 2008 will not receive any monthly City subsidy. For qualifying retirees, the subsidy amount will vary by age band as follows:

<u>Age</u>	<u>Subsidy Amount</u>
65-70	\$100.00
71-79	\$150.00
80+	\$175.00

#### **E. Eligibility Criteria to Receive Pre-65 or Post-65 Subsidy**

In recognition of long service to the City of Greenville, employees retiring on or after July 1, 1994, who meet the following eligibility criteria *may elect to continue medical coverage* offered by the City *and receive the pre-65 subsidy as outlined above, or receive the post-65 subsidy if qualifying as outlined above, toward the cost of their coverage:*

1. Regular City retirees who are age sixty (60) or older **and** who have served twenty (20) or more years of regular, full-time employment with the City of Greenville.
2. Sworn police officer and fire retirees who are age fifty-five (55) or older **and** who have served twenty (20) or more years of regular, full-time employment with the City of Greenville.
3. Retirees with twenty-eight (28) or more years of regular, full-time employment with the City of Greenville, regardless of age.
4. Employees with a minimum of ten (10) *continuous* years of regular, full-time employment with the City of Greenville **and** who are approved by their appropriate retirement plan for disability retirement, regardless of age.
5. Employees approved by their appropriate retirement plan for a disability retirement *whose disability is the result of a job-related injury sustained at work for the City of Greenville*, regardless of age or length of continuous service.

Dental insurance is not continued for retirees except for retirees who are rehired under the TERI provisions of the SCRS (§ 9-1-2210), and retirees who are rehired under the similar provisions of the PORS (§ 9-11-90), and only for the period of time they continue as active employees.

#### **F. Continuation of Medical Coverage for Retirees Who Do Not Meet either Age or Length of Service Criteria**

To retain and continue group medical coverage, retirees who do not meet either the age or length of service criteria must meet the following requirements:

1. **Regular City Employees** qualifying for retirement, under the SCRS, **but**, who are less than age sixty (60) **and** have served twenty (20) or more years of regular, full-time

employment with the City of Greenville, together with any dependents who are covered by the City's group medical insurance at the time they retire, may retain and continue group medical coverage by paying the full premium for the coverage elected until reaching age sixty (60), at which time the retiree, only, will be eligible to receive the pre-65 medical subsidy as is specified in Section (D) above. (Dental insurance is not continued for retirees.)

2. **Sworn officers** qualifying for retirement, **but**, who are less than age fifty-five (55) **and** have served twenty (20) or more years of regular, full-time employment with the City of Greenville, together with any dependents who are covered by the City's group medical insurance at the time they retire, may retain and continue group medical coverage by paying the full premium for the coverage elected until reaching age fifty-five (55), at which time the retiree, only, will be eligible to receive the pre-65 medical subsidy as is specified in Section (D) above. (Dental insurance is not continued for retirees.)
3. **Employees who retire from the City but do not meet the above length of service criterion (20 years)** to receive the pre-65 medical subsidy toward medical insurance at the qualifying age of 60, for regular employees, or 55 for Sworn officers, together with any dependents who are covered by the City's group medical insurance at the time they retire, may elect to continue group medical insurance coverage, but must pay the full premium, (both employee and City contribution) for the coverage elected as long as they remain enrolled, or until a covered person reaches 65 years of age, whichever comes first.
4. **Elected officials of the City of Greenville**, that is, the Mayor and other City Council members, who have served two (2) full terms or eight (8) consecutive years of continuous service with the City of Greenville, together with any dependents who are covered by the City's group medical insurance at the time they vacate their office, may continue their medical coverage by paying the full premium. Full premium is both the employee's contribution and the City's contribution. Dental insurance will not be continued under the City's health plan.

#### **G. Discontinuation of Group Medical Insurance**

Regardless of the type of coverage available and elected at retirement (or when leaving office for qualified elected officials), all retirees and qualified elected officials reaching age 65 will no longer be eligible to remain on the City's group health plan. City retirees reaching age 65, and who retired on or before December 31, 2008, will have their continuing medical coverage converted to a Medicare Supplement plan and will receive the appropriate post-65 medical subsidy as specified in Section (D). Elected officials will not receive the City's post-65 medical insurance subsidy.

A retirees' dependents and/or spouse who were covered on the City's group medical plan and are under the age of 65, may continue on the City's plan by paying the full premium until they attain age 65.

If the retiree or elected official elects to cancel his or her City medical coverage, any covered dependent(s) of the plan will be given the opportunity to elect continuation of coverage under the

provisions of COBRA. The City is not responsible for any contribution toward the cost of medical continuation coverage under the provisions of COBRA.

If a retiree or elected official predeceases a spouse covered by the plan, the spouse may elect to continue coverage under the City's group plan by paying the full group premium. The City does not contribute toward the cost of spouse insurance.

#### **H. Life Insurance**

Retirees and qualified elected officials are not eligible to remain on the City's group term-life insurance coverage except for retirees who are rehired under the TERI provisions of the SCRS (§ 9-1-2210), and retirees who are rehired under the similar provisions of the PORS (§ 9-11-90). Group term life insurance is eligible for conversion to an individual, permanent life insurance policy if applied for within thirty-one (31) days of the retirement date (or date of leaving office for qualified elected officials). The City will not contribute to the cost of converted life insurance.

#### **I. Retirement Award**

The Mayor and Council have approved a cash award for retiring employees consisting of a cash bonus in the amount of \$20 for each year of service as well as a watch, and an appreciation plaque. These awards are made to all employees who retire from employment with the City under any provisions of the City-offered retirement pension plans. At the designated Council meeting, the Mayor will present the retiring employee with the appreciation plaque and the City Manager will present the employee with a cash award check and a watch in recognition of the employee's service to the City.

### **VI. Retiring under the TERI Program (SCRS)**

The following is the process the City will use for City employees who choose to retire under the provisions of SC Code of Laws § 9-1-2210, the TERI program. A copy of this policy section should be reviewed with, explained to, and given to each person opting to retire under the program. The employee will be asked to certify, by signing a copy of Exhibit 1, that he/she has read and understands the City's policy, and the signed certification shall be filed in the employee's personnel file in the HR department. The TERI program period counts toward the fifteen (15)-day break requirement.

1. Regular employees retiring under the TERI Program may make application for retirement with the SCRS as early as six (6) months prior to and up to three (3) months after their service retirement effective date.
2. On the TERI retirement commencement date, the employee's status in the HTE Personnel/Payroll system "Status Screen" will be changed to code TP – "TERI PROGRAM PARTICIPANT". In the "Termination Screen" the employee's TERI employment period end-date will be recorded as the "effective termination date" when employment ends.

3. On the TERI retirement commencement date, all accrued "general leave" may be retained until the end of the TERI employment period and the remaining balance will be paid out and reported to the SCRS. Up to 45 days of accrued "general leave" will be reported as "general leave" and serve to increase the retiree's average final compensation, AFC. All remaining general leave will be reported as "sick days" and serve (along with "restricted sick days" and "old sick days" up to a combined maximum of 90 days) to increase the retiree's credited service.
4. All general leave accrual will continue unchanged and uninterrupted during the TERI employment period.
5. Annual unused general leave during the TERI employment period may be carried over year to year, limited to an accrual maximum of 90 days minus the number of days paid out at TERI retirement per HR-10, IV, C for those who retired under the TERI program prior to July 1, 2005.
6. All "restricted sick days" shall be zeroed out at TERI retirement and be reported to the SCRS as "sick days" and serve (along with "general leave days" in excess of 45, and "old sick days" up to a combined maximum of 90 days) to increase the retiree's credited service.
7. Any "old sick days" on the record at TERI retirement may be retained until the end of the TERI employment period, and be used in lieu of general leave in the event of a bona fide illness, or, they may be zeroed out and reported to the SCRS as "sick days" and serve (along with "general leave days" in excess of 45, and "restricted sick days", up to a combined maximum of 90 days) to increase the retiree's credited service.
8. *If a TERI retiree fails to terminate employment within one month after the end of the specified TERI employment period, the retiree must accept and receive the previously determined normal retirement benefits, based on the member's average final compensation and service credit at the time the program began, plus any applicable cost of living increases declared during the program period; thereafter the retiree is subject to an earnings limitation of \$50,000 per year. To become an active employee again in the SCRS with service credit for the period of TERI employment served, the retiree must repay all retirement benefits received, plus 6% of salary earned under TERI, plus interest.*
9. All employee benefits will continue unchanged and uninterrupted during the TERI employment period
10. TERI retirees may remain on the City's current health plans, or, on January 1st of each following year, the retiree may switch to one of the City's health plans, or, if age 65, to a Medicare Supplement plan, whichever is appropriate.
11. COBRA notices will be issued at the end of the specified TERI employment period.
12. Participation in the TERI program does not guarantee employment for the specified TERI program period, and employment under the TERI program is not, and may not be construed to constitute, a contract for employment.



13. The City's 4% contribution toward active employees' share of the retirement premium shall cease (for TERI retirees who retired prior to July 1, 2005) upon TERI retirement since these TERI retirees do not contribute any premium to the retirement system under TERI regulations. It will not be added back to these TERI retirees' salary. TERI retirees who retired after July 1, 2005, will continue to contribute premiums to the retirement system as active employees do.

## **VII. Rehire of Retirees**

### **A. Rehiring of a TERI Program Retiree**

The SCRS allows a covered employer to decide whether or not to hire a TERI retiree after the employee's TERI period has ended. The following is the policy the City will follow in rehiring retired TERI program participants:

1. A severance from employment of at least **one (1)** day is required at the end of the TERI program before a member may return to covered employment.
2. The TERI retiree wanting to return to work after the TERI period has ended is not guaranteed employment. There is no guarantee of any particular position, the same position, or the same salary earned prior to retiring.
3. The vacant position will be posted by the Department, the same as other Department openings, and all interested candidates, including the TERI retiree wanting to be considered for rehire, must apply and follow established procedures for the filling of posted vacancies.
4. Starting pay will be governed by the same guidelines of HR-7 that apply to any other new employees. The Department Head may authorize a starting pay rate within the first quartile of the range; the Department Head, with the concurrence of the Human Resources Director, may approve a starting salary up to the midpoint of the range. Any starting salary above the midpoint of the range will require the City Manager's approval.
5. Regardless of the employee's retirement date, if the employee returns to work after the TERI participation has ended, the rehire will pay working retiree contributions like active employees.
6. The rehired TERI retiree is eligible to receive the same City benefits provided to all active employees.
7. The rehired TERI retiree will participate as do other employees in the City's pay for performance plans and shall be given performance appraisals on the same schedule as other active employees. The performance review date shall be reestablished as one (1) year from the rehire date.

**B. Rehiring a PORS § 9-11-90 Retiree**

The following is the policy the City will follow in rehiring retired Police Officers under the provisions of State of South Carolina Code of Laws § 9-11-90. A copy of this policy section should be reviewed with, explained to, and given to each Police Officer opting to be rehired under the above cited statute. The employee will be asked to certify, by signing a copy of Exhibit 2, that he/she has read and understands the City's policy, and the signed certification shall be filed in the employee's personnel file in the HR department.

1. The employee must qualify for retirement under the guidelines of the PORS, must retire and must have been retired for **at least fifteen (15) consecutive calendar days** in order to qualify for rehire.
2. Participation in the PORS retirement/rehire program does not guarantee employment for any specified period of time, and employment under the PORS program is not, and may not be construed to constitute, a contract for employment. Furthermore, it is not a guarantee of any particular position, the same position, or the same salary earned prior to retirement.
3. The vacant position will be posted by the Department, the same as other Department openings, and all interested candidates, including the PORS retiree, must apply and follow established procedures for the filling of posted vacancies.
4. Starting pay will be governed by the same guidelines of HR-7 that apply to any other new employees. The Department Head may authorize a starting pay rate within the first quartile of the range; the Department Head, with the concurrence of the Human Resource Director, may approve a starting salary up to the midpoint of the range. Any starting salary above the midpoint of the range will require the City Manager's approval.
5. A PORS rehire will pay working retiree contributions like active employees.
6. The rehired PORS retiree is eligible to receive the same City benefits provided to all active employees.
7. The rehired PORS retiree will participate as do other employees in the City's pay for performance plans and shall be given performance appraisals on the same schedule as other active employees. The performance review date shall be reestablished as one year from the PORS rehire date.

**C. Rehiring Firemen's Pension Plan Retirees**

Although the Firemen's Pension plan makes no provision for, nor sets any restrictions on, the rehire of retired firefighters, it is the City's policy that the same provisions outlined in Section VII (B) of this policy for Police Officers will apply to firefighter retirees who apply for and are rehired into vacant positions with the City.

EXHIBIT 1

**TERI Program Retirement Disclosure Acknowledgment**

By my signature below, I certify that I have been given a copy of Human Resource Policy HR-25, and that, further, ***Section VII (A)***, which sets forth the City's policy regarding the rehire of SCRS retirees under the TERI provisions of State of SC Code of Laws § 9-1-2210, has been reviewed with me. I am satisfied that I understand, and I agree to submit to the terms therein set forth should I decide to retire under the TERI provisions of the State of South Carolina law and continue employment with the City of Greenville, SC.

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Employee's Signature

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Please Print Name

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Date

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Witness Signature

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Please Print Name

---

Date

EXHIBIT 2

**PORS Retirement/Rehire Program Disclosure Acknowledgment**

By my signature below, I certify that I have been given a copy of Human Resource Policy HR-25, and that, further, ***Section VII. (B)***, which sets forth the City's policy regarding the rehire of PORS retirees under the provisions of State of SC Code of Laws § 9-11-90, has been reviewed with me. I am satisfied that I understand, and I agree to submit to the terms therein set forth should I decide to retire under the PORS provisions of the State of South Carolina law and accept re-employment with the City of Greenville, SC.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Please Print Name

\_\_\_\_\_  
Please Print Name